

AMENDED IN SENATE JUNE 22, 2009

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY MARCH 25, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 725**

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**Introduced by Assembly Members Jones and Torres**  
**(Coauthors: Assembly Members Block, Blumenfield, Hall, Ma,**  
**Price, and Portantino)**  
**(Coauthors: Senators DeSaulnier and Florez)**

February 26, 2009

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An act to amend ~~Section~~ *Sections 11629.7 and 11629.84* of the Insurance Code, relating to auto insurance.

### LEGISLATIVE COUNSEL'S DIGEST

AB 725, as amended, Jones. Auto insurance: low-cost automobile insurance.

Existing law establishes, within the California Automobile Assigned Risk Plan, a low-cost automobile insurance program. Existing law establishes the low-cost automobile insurance program in several specified counties and makes the expansion to all other counties in California subject to a determination of need made by the Insurance Commissioner following a public meeting, as specified. Existing law provides for the issuance of automobile liability policies pursuant to this program under specified terms and conditions, and provides that a policy so issued satisfies specified requirements regarding financial responsibility. Existing law provides that the low-cost automobile insurance program shall remain in effect only until January 1, 2011.

*This bill would name the program the “Martha Escutia and Jackie Speier low-cost automobile insurance program.”*

~~This~~

*The bill would ~~instead~~ also provide that the low-cost automobile insurance program ~~shall~~ would remain in effect until January 1, 2016.*

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 11629.7 of the Insurance Code is amended  
2     to read:

3     11629.7. (a) There is established, within the California  
4     Automobile Assigned Risk Plan established under Section 11620,  
5     a *the Martha Escutia and Jackie Speier* low-cost automobile  
6     insurance program for all counties in California.

7     (b) For the purpose of making the low-cost automobile  
8     insurance program operational in all counties of California,  
9     pursuant to subdivision (a), a low-cost automobile insurance  
10    program shall commence operations in the Counties of Alameda,  
11    Fresno, Orange, Riverside, San Bernardino, and San Diego,  
12    effective April 1, 2006, and shall be made operational in all other  
13    counties of California based upon a determination of need made  
14    by the commissioner. Program outreach shall focus primarily on  
15    those counties which have the highest number of uninsured drivers  
16    or the highest percentage of uninsured drivers or the highest  
17    percentage of low-income individuals. In making the determination  
18    of need for each county, the commissioner shall consider each of  
19    the following:

20    (1) The number or percentage of motorists within the county  
21    who are uninsured.

22    (2) The number or percentage of residents within the county  
23    who are low income.

24    (3) The availability of affordable automobile insurance options  
25    for the county’s low-income residents within the private automobile  
26    insurance marketplace.

27    (c) (1) After making the initial determination of need, the  
28    commissioner shall, as soon as is practicable, hold a public meeting  
29    in that county.

(2) The public meeting required by paragraph (1) shall be held not for the consideration of rates, but for the public discussion of the need and desirability of the program for the consumers of the county. Within 30 days after the public meeting, the commissioner shall make public his or her final determination of whether a need for the program exists within the county. A separate hearing shall be held for the consideration of rates pursuant to Section 11629.72.

(d) The commissioner, after a public hearing, shall approve or issue a reasonable plan for the equitable apportionment, among insurers required to participate in the California Automobile Assigned Risk Plan established under Section 11620, of persons residing in the counties or cities and counties set forth in subdivisions (a) and (b) who are eligible to purchase through the program established in each county or city and county a low-cost automobile insurance policy, as described in Section 11629.71. The program shall be conducted in conjunction with the California Automobile Assigned Risk Plan established under Section 11620.

~~SECTION 1.~~

*SEC. 2.* Section 11629.84 of the Insurance Code is amended to read:

11629.84. This article shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.